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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/686,462

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EXAMINER

CHANG, EDWARD

ART UNIT

PAPER NUMBER

3692

MAIL DATE

DELIVERY MODE

01/14/2009

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/686,462	Applicant(s) DONOHO ET AL.	
	Examiner EDWARD CHANG	Art Unit 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 1 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on October 23, 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 42-72 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☐ Claim(s) _____ is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☒ Claim(s) 42-72 are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Election/Restrictions

1. This application contains claims directed to the following patentably distinct species
 - Species 1, Claim 44 is drawn to behavior of interest that comprises holding concentrated positions in a single security. (See at least Page 57, Paragraph 00117-127)
 - Species 2, Claim 45 is drawn to behavior of interest that comprises holding concentrated positions in low-priced securities. (See at least Page 60, Paragraph 00128-137)
 - Species 3, Claims 46 and 47 are drawn to behavior of interest that comprises abusing auto-execution systems. (See at least Page 62, Paragraph 00138-147)
 - Species 4, Claim 48 is drawn to behavior of interest that comprises marking the close. (See at least Page 64, Paragraph 00148-159)
 - Species 5, Claim 49 is drawn to behavior of interest that comprises making improper short sales. (See at least Page 66, Paragraph 00160-170)
 - Species 6, Claims 50 and 51 are drawn to behavior of interest that comprises making cross-trades away from the market. (See at least Page 68, Paragraph 00171-181)
 - Species 7, Claim 52 is drawn to behavior of interest that comprises encouraging orders by marking them as unsolicited. (See at least Page 71, Paragraph 00182-202)
 - Species 8, Claim 53 is drawn to behavior of interest that comprises encouraging short-term holding. (See at least Page 75, Paragraph 00203-209)
 - Species 9, Claim 54 is drawn to behavior of interest that comprises soliciting orders but marking them as unsolicited. (See at least Page 77, Paragraph 00210-216)
 - Species 10, Claim 55 is drawn to behavior of interest that comprises shadowing a customer's account. (See at least Page 79, Paragraph 00217-256)
 - Species 11, Claim 56 is drawn to behavior of interest that comprises front-running. (See at least Page 83, Paragraph 00257-267)

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- Species 12, Claim 57 is drawn to behavior of interest that comprises trading on insider information. (See at least Page 88, Paragraph 00282-292)
- Species 13, Claim 58 is drawn to behavior of interest that comprises making large deposits. (This species is not explicitly disclosed in the specification.)
- Species 14, Claim 59 is drawn to behavior of interest that comprises rapid switching of mutual funds. (See at least Page 91, Paragraph 00293-303)
- Species 15, Claim 60 is drawn to behavior of interest that comprises disproportionate allocation of IPO shares. (See at least Page 93, Paragraph 00304-312)
- Species 16, Claim 61 is drawn to behavior of interest that comprises unfair allocation of block trades to subaccounts of the investment advisor. (See at least Page 95, Paragraph 00313-329)
- Species 17, Claim 62 is drawn to behavior of interest that comprises maintenance of concentrated positions in a subaccount of the investment advisor. (See at least Page 99, Paragraph 00330-344)

2. The species are independent or distinct because claims to the different species recite the mutually exclusive characteristics of such species. In addition, these species are not obvious variants of each other based on the current record. **In the specification, the applicant describes “independent” and “Distinct” scenarios and behaviors leading to different inventions. Each has their own “independent” and “Distinct” scenario objective and implementation approach.**

Applicant is required under 35 U.S.C. 121 to elect a single disclosed species for prosecution on the merits to which the claims shall be restricted if no generic claim is finally held to be allowable. Currently, claims 42, 43, and 63-72 are generic.

There is an examination and search burden for these patentably distinct species due to their mutually exclusive characteristics. The species require a different field of search (e.g., searching different classes/subclasses or electronic resources, or employing different search queries); and/or the prior art

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applicable to one species would not likely be applicable to another species; and/or the species are likely to raise different non-prior art issues under 35 U.S.C. 101 and/or 35 U.S.C. 112, first paragraph.

Applicant is advised that the reply to this requirement to be complete must include (i) an election of a species to be examined even though the requirement may be traversed (37 CFR 1.143) **and (ii) identification of the claims encompassing the elected species**, including any claims subsequently added. An argument that a claim is allowable or that all claims are generic is considered nonresponsive unless accompanied by an election.

The election of the species may be made with or without traverse. To preserve a right to petition, the election must be made with traverse. If the reply does not distinctly and specifically point out supposed errors in the election of species requirement, the election shall be treated as an election without traverse. Traversal must be presented at the time of election in order to be considered timely. Failure to timely traverse the requirement will result in the loss of right to petition under 37 CFR 1.144. If claims are added after the election, applicant must indicate which of these claims are readable on the elected species.

Should applicant traverse on the ground that the species are not patentably distinct, applicant should submit evidence or identify such evidence now of record showing the species to be obvious variants or clearly admit on the record that this is the case. In either instance, if the examiner finds one of the species unpatentable over the prior art, the evidence or admission may be used in a rejection under 35 U.S.C. 103(a) of the other species.

Upon the allowance of a generic claim, applicant will be entitled to consideration of claims to additional species which depend from or otherwise require all the limitations of an allowable generic claim as provided by 37 CFR 1.141.

3. Applicant is reminded that upon the cancellation of claims to a non-elected invention, the inventorship must be amended in compliance with 37 CFR 1.48(b) if one or more of the currently named inventors is no longer an inventor of at least one claim remaining in the application. Any amendment of inventorship must be accompanied by a request under 37 CFR 1.48(b) and by the fee required under 37 CFR 1.17(i).

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/Edward Chang/
Examiner, Art Unit 3692

/Susanna M. Diaz/
Primary Examiner, Art Unit 3692